NSC BRIEFING

State Dept. review completed

20 March 1956

MIDDLE EAST UPDATE

- I. In central sector of troubled Middle East Arabs Israelis continue apprehensive watchful waiting. No sign that either side willing to make even most minor concessions to ease tension.
 - A. Although March "crisis", in Nasr's words, is "safely passed,"

 Premier Nasr says he still finds atmosphere unfavorable for

 further consideration of Johnston plan (for Jordan waters).
 - B. Israelis, in turn, still insist they will go ahead with own Jordan water diversion scheme when work-season opens (mid-or late Apr): they eagerly trying to feel out US position should move start trouble.
 - C. Opposing attitudes point to new crisis upcoming about mid-April, if not earlier.
- II. Arab States' politics dominated by Cairo ESS meeting (Nasr, King Saud and Syrian front-man Quwatli). Meeting apparently hardened Arab attitudes, consolidated Nasr's leadership of Arab triple-alliance.
 - A. Out of Cairo meeting came repeat offer to replace British subsidy to Jordan, and, so say Libyans, new offer to them which would supplement earlier reported Soviet economic bid.
 - B. Jordan still resisting ESS offer, but pressure almost certainly mounting: King Hussain will soon tour Egyptian, Syrian, Saudi capitals, presumably to appease suspicions aroused by his recent meeting with Iraqi leaders.

pleted
Approved For Release 2002/07/03 : CIA-RDP79R00890A000700020022-

DATE. 44 XO REVIEWE

Approved For Release 2002/07/03 CD 2779R00890A000700030022-3

- C. Libyans, as usual, using reported ESS offer as lever to pry open Western pocketbooks.
- III. Also out of Cairo meeting came indications, reflected in US Amb.

 Byroade's talks with Nasr and Saud, of Arab concern over Israeli recruitment "volunteers" in Europe, Latin America.
 - A. Saud and Nasr gave veiled threats of doing some recruiting of their own "outside Arab world"--i.e., in USSR.
 - B. Arab touchiness justified to some extent by recent Israeli activities, as well as by memories of Israel success in getting experienced pilots during 1948-49 war.
 - Three personable Israeli military representatives have left for US, Far East and South America to encourage support for Israel.
 - 2. Their activities may be part of announced Israeli campaign for youthful immigrants, ostensibly to pioneer in border settlements.

25X1

Militarily, Israelis are in advanced state of readiness, with about 100,000 men and women on active duty, civil defense exercises under way, and intensive air activity during past week.

B. Arab state of readiness, although much lower, is coming up.

25X1

25X1

- VI. Elsewhere in area, increasing tension over Cyprus issue being felt both in Greece and Turkey.
 - A. In Greece, after violent initial reaction to Makarios exile, official attitude has changed to uneasy waiting.
 - B. Greeks apparently believe that UK deportation of Archbishop has boomeranged, will hasten eventual British withdrawal from Cyprus.
 - 1. US Amb. Cannon's statement of "sympathetic concern" apparently rescued Greek government from panic.
 - 2. Close adviser to Prime Minister Karamanlis told Cannon that statement came "at five minutes to midnight for Greece!"
 - 3. Athens thereafter dropped consideration of drastic measures ("cutting loose from NATO", rupture of UK-Greek Approvid tooks pase 2002/07/03: CIA-RDP79R00890A000700030022-3

Approved For Release 2002/07/03 : CIA-RDP79R00890A000700030022-3

- C. Græks now believe that diplomatic and psychological warfare against Britain (including Minister without Portfolio Kassimatis' visit to Arab states) will maintain pressure on London.
- D. Greeks probably have decided to increase moral, material support to Cyprus resistance group.
- Premier Menderes, following Archbishop's deportation, stated

 British had already 'gone too far" in negotiations with Cypriots.

VII. On island, itself, tempo of violence has risen,
25X6A

A. Assassinations by terrorist organization (EOKA) are increasing: demonstrate EOKA's determination to continue violence.

25X1X

- VIII. Violent clashes between island Greeks and Turks likely to increase, and bring growing friction between Greece and Turkey as well.
 - A. Greek clash(19 March) with Turkish inhabitants of small town on north coast of island brought speedy retaliation, following day, from Turkish mob which smashed Greek shops in Nicosia.
 - B. Turkey's foreign minister is on record (statement to parliament Approyad Fot Ralea Aca Rate 200 W 0311 C FOUR DPT 9R 00 898 A 560 760 893 0102253 in event of violence on island.

Approved For Release 2002/07/03: CIA-RDP79R00890A000700030022-3

- IX. Finally, in the west, conditions in Algeria continue to deteriorate, and France is air-lifting two more NATO divisions from West Germany to reinforce the approximately 190,000 troops already on the scene (map).
 - A. In fighting since 1 March, rebels estimated to have lost about 500
 426: French military losses total 36 killed.
 - B. French settler "action group" has warned Paris that if some 100 Algerians rebels (now under death sentence) are not executed by 21 March, they will be lynched.
 - French Minister Lacoste in Algiers both unwilling to order executions and doubtful that police would defend prisons in face of settler attack.
 - 2. Algerian underground National Liberation Front (FLN)
 has warned that, for every Algerian "patriot" executed,
 two persons will be killed in retaliation.
 - C. Rebels, who have previously concentrated attacks in rural areas, exhibited new tactics during past week.
 - 1. On 16 March, set fire to several French buildings in European center of Algiers and suburbs.
 - 2. Night of 16-17 March, set fire to public building in Tlemcen (a principal city in Western Algeria).
 - D. Settler delegates to Paris conference last week expressed fear that Algerian uprising would occur on 21 March: claimed complete lack of protection for isolated farms, estimated that massacre of some 6,000 French farmers likely.

Approved For Release 2002/07/03 : CIA-RDP79R00890A000700030022-3

- X. Rebel strength still believed to be from 20 to 40,000.
 - A. Overall command believed to be outside Algeria, possibly in Tripoli or Cairo.
 - Commander alleged to be Mohamed ben Bella (former warrant officer in French army, decorated after battle of Monte Cassino) who is often seen in Cairo.
 - B. Within Algeria, rebel units operate independent of one another: probably do not have rapid communications between units.
 - C. Rebel recruitment believed on rise-many Algerian workers in France returning to Algeria allegedly in response to rebel mobilization orders. More than 12,000 have between in part 1. Paris now trying to block return of Algerians to North Africa.
 - D. Rebel funds acquired by local assessment, extortion and from Arab states.
 - 1. French press estimates that, to end '55, Arms states supplied \$172,000 (\$86,000 from Saudi Arabia; \$71,000 from Iraq, smaller amounts from Indonesia, Jordan and Pakistan).
- XI. Meanwhile US ConGen Clark reports serious Algerian economic dislocation.
 - A. Many public buildings, particularly schools, destroyed.
 - B. Communications in state of near-collapse--derailments have seriously damaged rolling stock.
 - 1. Example: movement of iron ore from important Quenza mine (7 million tons a year) "seriously" curtailed.

 Approved For Release 2002/07/03: CIA-RDP79R00890A00073063304223

Approved For Release 2002/07/03 : CIA-RDP79R00890A000700030022-3

- 2. In many areas, rebels cut telephone and telegraph lines at will.
- C. Even provision of foodstuffs a serious problem in some areas.
- D. ConGen concludes that extensive rehabilitation essential and must precede broad-scale economic program envisaged in Mollet Algeria policy.
- XII. Elsewhere in French North Africa, no new problems in sight at moment.
 - A. In Morocco, granted "independence" on 2 March, cease-fire by Berber dissidents anticipated in near future.
 - B. Similar declaration of Tunisian "independence" expected



but more often seen in Tripoli, Rome, Geneva and Madrid.

Rebets envariably Let telepline + telegraph lines "at will"